

SECRET
KAPOK

KMA-26349
Page 2

b. Liván Miklos STOLIZ: Little information of CMT significance was submitted, except for the data on Liván Miklos STOLIZ, who is at least of historical interest. STOLIZ is still being interviewed by Subject, primarily for propaganda exploitation by Subject's employer. Please refer to paragraph 4 of Attachments D and E each for the details on this individual. FCB action to date regarding STOLIZ consisted of base traces (listed above) - which do not significantly deviate from the story given Subject by STOLIZ; of a FCB check with UPSEKING for possible current UPSEKING interest; and of mail and phone intercept coverage of STOLIZ (with negative results). The FCB check with UPSEKING revealed that UPSEKING has a mild operational interest in STOLIZ; STOLIZ attempted to establish contact with UPSEKING as early as 20 November 1956 (shortly after his arrival from Hungary), while actual contact with UPSEKING began in early 1957. Three meetings have taken place with an UPSEKING V-man, but on 12 March 1957 contact lapsed as far as UPSEKING Headquarters records are concerned, for reasons as yet unclear. [] has been reporting to FCB the results of his official interviews with STOLIZ which to date give no indication of active current CMT involvement of STOLIZ. Based on this, and after discussion with FCB, it has been decided to imply to UPSEKING to resume contact, requesting that all information on STOLIZ - particularly information of a current CMT nature be exchanged. Copy of the memorandum from FCB to UPSEKING regarding exchange of information on this case is forwarded as separate cover Attachment F. The All Agency trace request is contained in Reference B. FCB has independently traced STOLIZ with ODOPAL at the local level; results will be forwarded separately.

c. ODOPAL Operations: No new information of significance has been reported. In connection with the MISS Operation (D/A from []), ODOPAL established that Joseph KONT has again been accredited at the Hungarian Embassy in Vienna (See paragraph 5-b Attachment E).

d. ODOPAL Relationships: Subject has not severed his relationship with ODOPAL during [] absence, but indicated desire to do so when Whitehart returns and his current ODOPAL case officer leaves.

e. Personal: In his father's desired exit from Hungary, Subject had learned in early April that his father had received an exit visa from the Hungarian authorities, but was not quite certain that this was all that was required to allow his father's exit. (See Attachment D paragraph 2 for the details). During April, he had not heard anything further. In this connection, Subject reported receipt of a postcard from Zoltan LOVASS in which the latter suggested a meeting in the Balatons area. In spite of Subject's acceptance mailed a couple of weeks later, no reaction from LOVASS had been received by the end of the month. Subject still feels LOVASS approached him originally on AVH orders to assess Subject and report back any indications that Subject may be recruitable - in return for letting

SECRET
KAPOK

SECRET
KAPOK

SIIMA-26349
Page 3

Subject's father come out. Subject explains the evident lack of follow-up on the part of the AVH with the disorders which followed the October Revolution in Hungary. In line with this reasoning, Subject expects an AVH approach prior to his father's departure from Hungary, now that the AVH is again functioning. Information developed since indicates Subject's father was arrested by the AVH and an AVH approach to Subject is again a good probability. The latest developments will be reported separately.

ATTACHMENTS:

5. Forwarded under separate cover for information and any action desired as Attachment A through E are contact reports Nos. 25 through 29. The POB Memorandum to UFSWING mentioned in paragraph 4-b is forwarded as separate cover Attachment F.

APPROVED: _____

Attachments: A-F as stated SEPARATE COVER.

Distribution:

3-ES w/atts A-E in dupl & Att. F
2-COS/G w/atts A-F
2-COS/V w/atts A-E w/o att F
2-POB w/o atts

TIJ:mr

SECRET
KAPOK

SECRET
CONFIDENTIAL

Att. C to DCMA-26249

AGENT []

DATE 25 March 1957

CASE OFFICER []

CONTACT REPORT # 27

DATE AND TIME OF CONTACT 25 March 1957, 0930

RV PLACE Safehouse, as previously

PLACE MEETING HELD Room

DURATION MEETING 0930 - 1115

PURPOSE OF MEETING Regular, but debriefing by [] and any CACT develop-
ments to be passed to []

SECURITY N.A.

ADMINISTRATIVE/FINANCE N.A.

NEXT MEETING SCHEDULED 9 April 1957, 2030, at same safehouse

COMMUNICATIONS N.A.

OPERATIONAL MATTERS AND COMMENTS: ATTACHED

SECRET
CONFIDENTIAL

SECRET
KAPOK

Contact Report No. 27, [] 25 Mar 57

1. Introduction: This, as the previous meeting, was mostly spent with debriefing of Subject on his contacts in the local Hungarian community for their positive exploitation potential. The student group was primarily discussed, but little specific information was actually obtained. Subject again stated that it would take some time before he could provide [] with more pertinent detail on personalities, because a) he had to get into the desired circles to assign the individuals, and b) the gross of the Hungarian students was only expected to come to Munich sometime in April 1957, after having passed their required language exams qualifying them for studies at Munich University. Else, Subject reported few incidental bits of information and one item concerning himself.

2. Personal: Subject received a postcard from Zoltan LOVASS (Vienna) during the week of 21 March 1957. LOVASS wrote Subject that he just got another job, after leaving his leather shop job. In his new job, LOVASS would have to travel, also in the Salzburg area. LOVASS suggested he meet Subject in Salzburg around Easter time, should this suit Subject. LOVASS confided he visited Subject's father could be out of Hungary and live in peace. Subject's feeling about this is rather undecided, but he would rather not go for the meet. On the other hand, if case officer desired his going, Subject would certainly go to Salzburg. Subject feels there will be nothing gained from such a meeting. He would, however, write to LOVASS, excusing himself with prior commitments, unless LOVASS had something of importance to tell. Under any circumstance, he would do nothing until the next case officer/Subject meet, on 9 April.

(Case Officer Comment: After discussion at WOB, Subject will be instructed to proceed according to his suggestion; particularly he should make sure that the door is left open with LOVASS.)

3. Incidentals:

a. There was nothing new on any of the COOPAL operations.

b. Gitta SCHROEDER, wife of Sueddeutsche Zeitung sports reporter, Frank SCHROEDER, probably identical with Eva SCHROEDER now familiar mentioned as possible HES agent in connection with Irene KONGZ's divorce proceedings against her first husband in Budapest during 1956 (EQA-78135 and related POB/WOB internal correspondence), who was used by the AVB, is now under consideration for a VOA job. Lajos GRINER is interested in getting her into the VOA.

(Case Officer Comment: Since both this information and the earlier mention in EQA-78135 of 21 May 1956 stem from Subject (and Irene KONGZ), case officer must get more details before this can be reported to VOA. Will do next meet.

SECRET
KAPOK

SECRET
KAPUK

6. Lestak BAPUK, of the Hungarian staff of VOA is making pictures of VOA/Hungarian employees, so far for unexplained reasons. Subject will try to get copies of these pictures for case officers, and to find out a little more on the reasons for the snapshots.

7. Jozsef SUNDOR, known man smuggler, asked for Subject at his old address last November. In the meantime, the Czech Consulate had moved into the premises. SUNDOR told this story to Sándor KOSZUTHI of VOA, one of Subject's friends.

Debating:

8. The general debriefing of Subject which was started by [redacted] at the last meeting was continued with Subject adding the following information:

a. Hungarian Bridge Businessmen:

1) Subject stated that one Imre ENREI was a member of the Freilassing business group that was discussed at the previous meeting. ENREI is in the textile business and is in contact with GYURAI, and GYURAI is of Freilassing and Janos HORVATH of Munich. ENREI is an Austrian citizen and has a son in the U.S. Air Force who is presumably an American citizen. ENREI is said to have lost a good deal of money in the U.S. as a result of poor business speculation. As a result he was generally disappointed with life in the U.S. ENREI is now making a business comeback in Freilassing.

b. Hungarian Writers' Group:

1) Subject said that he did not have any more specific information on the Hungarian writers mentioned at the last meeting.

2) Subject stated that there is a new Hungarian bridge newspaper which is published monthly in Munich. The paper is called Nemzetor and purports to be a paper of the Hungarian Writers' Association. Subject claims that the paper is actually controlled by Zoltan MORA who is also editor of the Hungarian and president of the Verband Freie Presse. Subject knows of the following members of the Nemzetor staff:

a) Laszlo LUKA - chief editor. Was liberated from a Hungarian prison during the October 56 revolution.

b) Tibor MOSKES - assistant editor. Writes under the name Tibor TULLAS. He allegedly spent eight years in a Hungarian prison prior to being liberated during the revolution.

SECRET
KAPUK

SECRET
KAFUK

c) Lorant BALATONY - writer. Name is probably an alias;
no further data.

d) Petosy PARASS - writer. Name is probably an alias;
no further data.

e. Hungarian Student Group:

[] asked if Subject had heard anything new regarding the Hungarian students who were to begin their studies in Munich. He replied that he had not heard anything of significance and added that he was still in touch with the two students who were being interviewed by Subject's organization. He felt that through these two he would hear of any new developments affecting the student group. When asked what his relationship was to the two students, Subject said that he initially had only the official organization contact with the two but he has since asked the more impressive of the two to teach Subject's wife Hungarian. Subject offered to bring biographic data on this student to the next meeting.

[] Comment: Our relationship with Subject is not such that we might ask him to do things for us. He is somewhat sensitive about not wanting to risk his employment with his organization but at the same time he is most anxious to help KUSAHA. In discussing the situation with [] prior to his return to Headquarters, it was agreed that [] would not progress beyond the point of accepting biographic data. [] student referred to. Upon [] return the situation will be reviewed to see in what way Subject can contribute to the penetration of the Hungarian student group.)

d. Czech Consulate in Salzburg:

Subject reported that the Czechs have opened their consulate in Salzburg but as yet no Czech consular officials have arrived; there are only two or three support people there who seem to be acting as caretakers. According to Rudolph RICHTER, assistant to Stadtpolizeidirektor ROSE, the Salzburg police are beginning to wonder what the delay is.

e. Hungarian Consulate in Salzburg:

Rudolph RICHTER also mentioned to Subject that a delegation from the Hungarian Embassy in Vienna had been to Salzburg looking for a building to house the new consulate which the Hungarians are apparently going to open there. Subject had no further information on this topic.

5. [] Comments:

a. [] asked Subject a little about his relationship with Rudolph RICHTER. It turns out that QDOPAL, Salzburg had no official liaison.

SECRET
KAFUK

MAKRA, Zoltan

FECS Special Report M-2-57 1 Feb. - OFPA-30087 9 May 57: Chairman at press conference in Munich 24 Jan 57 arranged by Free Press Association, at which editorial board of Hungarian (unreformed) introduced. (See card for Tibor TOLLAS) Unsavory.

FILE

SECRET

CONTACT REPORT

Att. D^v to ERM-26349

AGENT

CASE OFFICER

DATE - 4 April 1957

CONTACT REPORT # 28

DATE AND TIME OF CONTACT 3 April 1957 at 2100 hours

RV PLACE Near safehouse where meetings usually take place, on foot.

PLACE MEETING HELD In operational car

DURATION MEETING 2100 to 2115

PURPOSE OF MEETING Special meeting called by [] for more information as detailed below.

RV was effected in the street block where safehouse is located; from SECURITY house, agent and case officer walked to operational car parked in a side street. Case officer drove to meeting site several blocks away, parked car and held meeting in car. Doors lock to door agent near his car. No surveillance observed at any time.

ADMINISTRATIVE/POLICE []

NEXT MEETING SCHEDULED Tentatively on 10 April 1957, at 2030 in safehouse.

[] will call at 1100 on 9 April 1957, to confirm or postpone next COMMUNICATIONS []

OPERATIONAL MATTERS AND COMMENTS: ATTACHED

SECRET

SECRET

Contact Report No. 28, [] 3 Apr 57

1. Introduction: [] opened the meeting with profuse excuses having called it, but said he had some quite interesting data which he felt, in his judgment, should reach case officer's organization at once. He said he had some very excellent personal news, several incidentals, and one very interesting person to report about, the latter being the chief reason for his calling the special meet. After case officer assured [] that he need not excuse himself for calling a special [] together, that he should call one whenever he felt it necessary, [] came to the points he wanted to report. The entire meeting took place in case officer's operational vehicle, which was parked at the side of a fairly well-lighted main thoroughfare. At the end of the meet, case officer drove by the two downtown meeting places picked out for emergency sites, in case [] called an urgent meeting after a possible AVH approach, which he felt might come in connection with his father's forthcoming exit from Hungary during the next couple of weeks.

2. Status of [] Father's Exit from Hungary: [] reported that his wife had been called in the morning of 3 April 1957 by her sister in Austria; she in turn was called earlier that day by the Austrian Ambassador in Budapest, W. C. PEINSKIPP, who informed her that the father of [] had just received his Hungarian passport with Hungarian Exit-Visa; that [] father would go to the country for a few weeks, for unspecified reasons, and then would travel to Austria for permanent residence there, as he has an Austrian immigrant visa. [] was understandably excited about this news. He was not quite certain what to make of the "few weeks" in the country, but without further information felt that his father could have natural reasons for wanting to spend a few more days in his countryside. On the other hand, [] reasoned that now was the time to expect an AVH approach to him, in every sense should be one made: His father just received the Hungarian exit-visa; the AVH is without a doubt completely aware of [] AIS background and involvement (except his current one with case officer's organization); it would make all the sense in the world for the AVH to extort his cooperation for the prospect of getting his father out, to the West. [] did not overlook that there may be two other, more innocuous explanations for his father's or PEINSKIPP's success in obtaining the exit visa: a) there may just be some officials in opposition to the KADAR regime left in positions in the Budapest Interior Ministry, with whom PEINSKIPP succeeded in pleading for the old gentleman to obtain his exit visa; or b) the Hungarian authorities regard the old gentleman as merely a burden on the Hungarian economy and therefore were glad to thus get rid of him. [] was, however, quite insistent that should an approach be made by one AVH, he ought to get in touch with case officer just as soon as possible in order not to undertake any step contrary to our desire, or without our knowledge. A system of meetings in town was then devised for any possibility, time and places set, and meeting places inspected visually, so that [] needs only to call case officer and indicate that he wants a meeting very quickly. Also, his reaction to any

SECRET

-3-

att
EGMA
26349

possible pitch by the AVH was again gone over (see paragraph 6, EGMA-24833, and paragraph 3 to Attachment O of EGMA-24833, 17 Jan 57). Case officer strongly suggested to [] that he ought to be able to stall any pitch at least until the next day with the reaction he had just rehearsed again with the case officer, and [] conceded this much. [] now hopefully expects his father to come out of Hungary to Austria in some 3-4 weeks.

3. Incidentals:

a. [] submitted 12 brief biographic sketches with 11 pictures of the VOA Hungarian staff, as he indicated he would at the last meeting (para 3.c., Contact Report #27). [] has no idea at this time why Istvan BARTA took the snaps of all the staff, but regards it quite possible that he did it for amateur photographer reasons and nothing else. [] said he would try to get the missing picture of the photographer, BARTA. [] considers BARTA a nice boy, who has, however, a split personality. [] explained BARTA hates the Soviets because of his experiences as a POW from 1945-48, but is, of course, a Hungarian and likes life in Budapest; therefore, if and when the situation changes, he would return to Budapest. BARTA is currently a close friend of Zoltan MAKRA of the Hungaria newspaper.

b. Erzebet MATIAS, Zoltan MAKRA's girl friend who practically lives with MAKRA, and who worked for the AMCON-Munich Visa Section. She employed with VOA as Laszlo BOROS' secretary as of 3 April 1957. [] remarked that VOA employed Erzebet MATIAS in spite of some vague QUUPAL allegations against her.

c. Gitta SCHOENHUBER (see para 3.b., Contact Report # 27) has not yet been hired by VOA. In connection with Gitta's husband, Franz SCHOENHUBER, [] recently learned that SCHOENHUBER and one fru RICHTER were reported to have offered Istvan SEDELYI, head of CARPATHIA Film Co. in Munich, undisclosed sums of money if he were to drop the anti-Communist tendencies of a documentary newareel on the Hungarian Revolution smuggled out of Hungary and soon to be shown in local movie houses ("Ungarn in Flammen" - "Hungary in Flames").

d. One Dr. Gabor SZARKA recently came to [] attention through VOA Hungarian Program Editor Edmund DEMAITRE (American citizen). The following details are known to [] DEMAITRE knows SZARKA from WW II days, when both had been active for the British IS in Sweden; after WW II SZARKA returned to Hungary, came out to the West as an official of the West Orient Trading Co., a Hungarian Government fund raising business tolerated in the West, but also partly sponsored by the AVH. SZARKA was tried and imprisoned for life in Hungary in the late 1940's; was liberated during revolution last fall and is now in Geneva to testify before the U.N. Commission on Hungary. He now lives in Munich and may be working for the BIS.

SECRET

